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**Programming and Allocations Committee
June 10, 2009
Minutes**

Attendance

Chair Kinsey called the meeting to order at approximately 11:04 a.m. Committee members present were: Commissioners Bates, Cortese, Daly, Dodd, Glover and Sartipi. Other Commissioners present were: Chu, Giacomini, Haggerty, Halsted, Lempert, Rubin, Tissier, and Rein Worth.

Public Hearing

The Programming and Allocations Committee held a public hearing for consideration of the reassignment of Regional Measure 2 (RM2) funding from the BART Transbay Tube Seismic Strengthening project to the BART Oakland Airport Connector project. Chair Kinsey explained that no action would be taken at today's meeting; however, on July 8th the Committee will consider forwarding staff's recommendation to the Commission and formal adoption of the RM2 amendment will be requested at the Commission's July 22nd meeting.

There were several Commissioner questions before the public comment.

Commissioner Bates asked for an explanation of how the July proposed action conforms to the June 30th deadline. Steve Heminger explained that what was called for by the end of June in Resolution No. 3885 is a BART funding plan and MTC staff believes that plan is in place. One of the actions to carry out that plan will be before the committee next month to reassign the RM2 monies that are the subject of today's public hearing.

Commissioner Daly asked for some documentation on the subject of the public hearing and requested an update on the delivery of the Airport Connector project, ridership estimates, and project cost. Steve Heminger responded that, since February, the BART Board has voted to approve the funding plan and move forward on the project. The project is out to bid in a Request for Qualifications and responses are due next week. After evaluation, BART hopes to award a contract in the fall. Mr. Heminger also provided some background on the ridership numbers in terms of one set being generated in the Environmental Impact Report process and the second set generated as part of an investment rate analysis and further stated that he would ask BART to attend the July 8th meeting to explain the numbers. He emphasized that the project is out to bid so it is late to have a discussion about an alternative project. However, if BART is not able to award the rail project, then there will be an opportunity to revisit options.

Commissioner Kinsey asked how the transfer of cost savings after completion of the Seismic Retrofit project can be accomplished if the project is not completed. Ms. Richman said that BART staff has done a lot of testing and pre-engineering on the project and believe they have a firm understanding of what will be required to complete it. Francis Chin said his interpretation of the statute is that certification from the BART Board allows MTC to make the transfer rather than let the money sit.

The Committee heard from several public speakers. The public hearing speakers included: *Kerry Hamill, BART*, emphasized the progress to-date on the project and said that BART would be at the July 8th meeting prepared to discuss the ridership numbers.

Jonathan Bair, Chair, City of Oakland's Bicycle & Pedestrian Advisory Committee. Requested that the Committee reconsider redirecting funds from a seismic improvement project to a transit expansion project.

Lindsey Imai, Urban Habitat. Reiterated opposition to the Airport Connector Project and asked the Committee to consider other alternatives.

Jerry Grace. Stated his support of the Airport Connector Project over a bus alternative.

John Knox White, Program Director, TransForm. Suggested that it was not MTC's decision to put the project out to bid so it should not be MTC's decision to rush it forward.

Stuart Cohen, Executive Director, TransForm. Presented numbers supporting a Rapid Bus alternative to the Airport Connector project and suggested that Cambridge Systematics could do a new cost study within 28 days—before the July 22nd Commission meeting.

Larry Reid, City of Oakland Councilmember, District 7. Said that six of the eight Oakland Councilmembers support the Oakland Airport Connector and urged approval of funding for the project.

Joel Ramos, TransForm: Distributed chart to staff showing how ridership is going down while the cost of the project has gone up. He also pointed out that AirBART is one of the most successful systems in the region, and said that Don Perata has sent a letter in opposition to this project.

Aaron Seviertson, ATU 1555. Expressed concern about the overall cost of the project, and his fear that BART will take away from operating money if there are shortfalls.

In closing the Public Hearing, Chair Kinsey asked Steve Heminger to clarify at this month's Commission meeting whether there is any adjustment needed to MTC's self-imposed deadline for the ARRA funds, and provide the information he offered before the next committee meeting. Mr. Heminger confirmed that no adjustment is needed to the deadline and said that information will be provided for the July meeting. Commissioner Bates asked whether there would be an opportunity to have the bus alternative analyzed between now and the July Commission meeting. Mr. Heminger said that the BART Board had the same request—they did not take it up and he gave reasons why he didn't think the Commission should. Commissioner Kinsey felt that the BART Board should bear a significant responsibility to evaluate the options and to respond to the questions raised in today's public hearing. The purpose of this public hearing is to address MTC's fiduciary

responsibility regarding RM2 funds, but the policy issues are those related to the BART Board. He also intends to follow-up on the issue of project completion to ensure that requirement is satisfied.

Consent Calendar

The Committee approved the following consent items:

- Minutes of May 13, 2009 meeting as submitted;
- Allocation of FY 2009-10 Transportation Development Act (TDA) funds to County Auditors for TDA administration (\$1.4 million) and to MTC for TDA administration and planning purposes (\$10.0 million). MTC Resolution No. 3903;
- 2009 Transportation Improvement Program (TIP) Amendment 2009-20. MTC Resolution No. 3875, Revised;
- Revisions to the First and Second Cycle New Freedom Program of Projects. MTC Resolution Nos. 3847, Revised and 3871, Revised;
- Federal American Recovery and Reinvestment Act (ARRA): MTC Resolution No. 3896, Revised;
- Allocation of \$2.5 million in STP funds for station area plans along the Sonoma Marin Rail Transit (SMART) corridor in Marin and Sonoma counties;
- Regional Measure 2 Operating Program and Allocation Revision for FY 2008-09. MTC Resolution Nos. 3853, Revised, and 3863, Revised.

Federal

- Transit Capital Priorities Process and Criteria for FY 2009-10 through FY 2011-12, MTC Resolution No. 3908.

Anne Richman described the proposal to update and extend the Transit Capital Priorities Process and Criteria, which governs the programming of approximately \$350 million annually in Federal Transit Administration Section 5307 and 5309 Fixed Guideway funds for transit capital projects, from FY 2009-10 through FY 2011-12. The recommended program includes three new policy elements: \$150 million vehicle reserve to address upcoming vehicle procurements; \$50 million economic reserve to address budget challenges; and revised fixed guideway caps. The draft framework has been presented to various Partnership and advisory committees over the last two months and although some operators expressed concern about the size of the reserves and fixed guideway caps, there was overall agreement. The Minority Citizens Advisory Council considered recommending to the Commission increasing the amount of economic reserves, but elected to support the staff recommendation.

The Committee approved staff's recommendation to refer MTC Resolution No. 3908 to the Commission for approval.

Regional

- Allocation of FY 2009-10 Transportation Development Act (TDA) funds and Assembly Bill (AB) 1107 funds to various claimants in the region. MTC Resolution Nos. 3900 and 3902.

Theresa Romell presented the FY 2009-10 annual allocation cycle of TDA, STA and AB 1107 funds. She said that eight operators have requested allocations of TDA and AB 1107 funds totaling just over \$125 million. Staff will prepare a more detailed briefing in July on the state of the economy and the impacts this recession is having on transit operator financing, and bring a revision to the annual Fund Estimate that will reflect actual revenue received in FY 2008-09 as well the loss of STA revenue—end of year rescissions are expected to be significant.

The Committee approved staff's recommendation to refer MTC Resolution Nos. 3900 and 3902 to the Commission for approval.

- Regional Measure 2 (RM2) Operating Program for FY 2009-10 and FY 2009-10 allocations. MTC Resolution Nos. 3897, Revised and 3898.

Christina Verdin said that MTC Resolution No. 3897 recommends a project-specific budget for FY 2009-10 for the RM2 operating program, and Resolution No. 3898 recommends allocations based on that budget. She told the committee that \$22.6 million is recommended for operating projects. The budget resolution also reallocates \$3 million in RM2 funds that were rescinded at the March Commission meeting. Ms. Verdin reviewed the two staff options for this reallocation, and noted that staff recommends Option #1 because it keeps productivity paramount in discussions of transit sustainability going forward.

Option #1 recommendations are based solely on productivity as defined in the RM2 Policies and Procedures by farebox recovery and passengers per hour standards. Option #2 recommendations are also based on the productivity standards but are geared to restore some funding to agencies that lost funds in March where possible.

Public comments:

Rick Ramacier, General Manager, Central Contra Costa Transit Authority. Mr. Ramacier said he recognizes that given the great shortfalls, productivity has to be considered in how funds are allocated. He said they would like to work with the Commission in developing some alternative standards in measuring transit's value in suburban areas so these services aren't inadvertently harmed.

Kate Miller, Manager, Capital Development & Grants Administration, AC Transit. Thanked staff for their proposal and stated that AC Transit supports Option #1.

Commissioner Cortese asked what routes are eligible for funding. Ms. Bockelman responded that there are 13 RM2 operating programs—Owl is one of them and it was supposed to provide night service paralleling the BART system. The Express Bus North and Express Bus South programs were focused on services that would reduce congestion on the north bridges vs. the southern bridges in the region.

Commission Chair Haggerty said he generally agrees with staff, but he moves Option #2 because of the critical need for this funding. He noted that CCCTA came forward identifying non-performing routes, but then identified an area where they can better spend the money. It was so moved and seconded, but Commissioner Bates suggested MTC had to come down on the side of productivity so offered a substitute motion for Option #1.

A roll call vote on the substitute motion for Option #1 resulted in four yes votes and three no votes. Committee Chair Kinsey said there would be an opportunity at the full Commission meeting to revisit this issue. He asked that staff present a report that the Committee was divided, although the majority voted for Option #1.

Commissioner Rein Worth said she understood that ridership was the primary criterion, but also noted the challenge of reallocating funds that were presented to voters. Ms. Bockelman said staff did consider by keeping the funding within the different categories—the Express Bus North and the Express Bus South and the Owl service. Two of the least productive services were Owl so those monies were redirected to other Owl services in the region.

- Proposed allocation of approximately \$39 million in RM2 and RM1 Capital funds. MTC Resolution Nos. 3651, Revised, 3684, Revised, 3711, Revised, 3889, Revised, and 3915.

Anne Richman said that three projects were submitted for RM1 and RM2 capital allocation this month: 1) the Transbay Terminal/ Downtown Caltrain Extension; 2) the eBART project; and 3) the Vacaville Intermodal Station. Ms. Richman said that the Transbay Joint Powers Authority (TJPA) is requesting the first allocation of RM1 funds to their project because with today's allocation of RM2 funds, almost all of the \$150 million in RM2 funds programmed to the project will have been allocated.

The Committee approved staff's recommendation to refer MTC Resolution Nos. 3651, Revised, 3684, Revised, 3711, Revised, 3889, Revised, and 3915 to the Commission for approval.

Public Comment:

Jerry Grace. Expressed support for the Transbay Terminal project, and asked for additional information on the eBART project; Chair Kinsey said he would ask staff to speak with him after the meeting.

- Doyle Drive AB 1171 Allocation of \$80 million. MTC Resolution No. 3914.

Chair Kinsey commented that the Committee already had an opportunity to have some conversation on this, so Kenneth Folan simply said that staff is recommending referring the resolution to the Commission for approval.

The Committee approved staff's recommendation to refer MTC Resolution No. 3914 to the Commission for approval.

California Transportation Commission Update

The Committee received, in writing, updates on the California Transportation Commission (CTC) meeting held on May 13 and 14 in Sacramento.

Public Comment

Commissioner Kinsey adjourned the meeting at approximately 12:26 p.m.

